

July 29, 2019

Commission's Secretary
Office of the Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, DC 20554

Re: WC Docket No. 06-122; FCC 19-46

Dear Sir or Madam:

I am writing to provide the comments of the Wisconsin Department of Public Instruction (WDPI) on the Federal Communication Commission's (FCC's or the Commission's) proposed rule on the Universal Service Fund (USF), as published in the Federal Register on June 13, 2019. The WDPI is the State of Wisconsin's education and library agency with statutory oversight of our state's 421 public school districts and 384 public libraries and in this capacity have provided E-rate support to our schools and libraries since the program's inception.

E-rate funds have been critical to the work of the WDPI to provide equitable access to education and resources to our schools and libraries across the state. In its announcement of the proposed rule, the FCC seeks comment on the potential establishment of a single cap covering the four components of the USF. The FCC also seeks comment on a proposal to merge the E-Rate and Rural Health Care caps.

The Department of Public Instruction opposes the proposal put forward by the Commission to establish a cap on the Universal Service Fund (USF). We feel this cap runs contrary to the purpose and scope of the existing USF programs. It is unnecessary in our view, given the fact that three of the four Universal Service programs¹ already have funding caps and the Lifeline program has a funding target as set by the FCC. It therefore seems as though the only point to an overall funding cap is to further limit the expenditure of funds for these dedicated

¹ The High Cost program, the Rural Health Care program and the E-rate program.

purposes beyond what is already prescribed by the FCC.

The proposal also appears to anticipate lesser demand for the programs. This could not be further from our experience. In Wisconsin we have seen increased demand across the state for digital learning and broadband. We are concerned about the E-rate and the possible impact of a funding cap on this important program. Wisconsin schools and libraries have received \$694,884,005.46 in E-rate funding since the first funding year in 1998.² This amount would be significantly higher but in most years the program was underfunded and as a result very few of our schools and libraries received any funding for in-building network enhancements. Insufficient funding was a problem nationwide and E-rate supporters were pleased when the Commission increased funding to \$3.9 billion/annually as part of its 2014 E-rate reforms.³ The demand however continues to grow.

If a cap is established, and total demand from the four programs exceed the cap, we believe the result will be that each program then competes against the others. The Commission states that having a program cap will allow it to "better achieve the overarching universal service principles Congress directed the Commission to preserve and advance."⁴ We do not see how a funding cap, especially if it is exceeded, can possibly preserve and advance the principles of universal service. In fact, we think a cap jeopardizes two key principles of universal service established by Congress: The first is that funding be "predictable, and sufficient".⁵ The second is that advanced telecommunications be available in all areas of the country at "just, reasonable, and affordable rates."⁶ We believe the options the Commission proposes do not address such a situation.

Given the growing demand for E-rate funding we disagree with the Commission's proposal to merge the E-rate fund with the Rural Health Care (RHC) fund.⁷ Since the added E-rate funding was made in 2014 the fund demand by schools and libraries each year since has been below the \$3.9 billion cap. However, based on the growth in the RHC applicant demand, it will likely exceed its \$581 million cap in the next 1-2 years. We are very concerned that the extra E-rate funds will then be diverted to meet the RHC applicant demand.

² This amount is through July 18, 2019. See E-rate Central's Funding Commitment Overview at <https://tools.e-ratecentral.com/us/stateInformation.asp?state=WI>.

³ *Second Report and Order and Order on Reconsideration*. Modernizing the E-rate Program for Schools and Libraries. Para. 77. WC Docket 13-184. December 19, 2014.

⁴ *Id.* Para. 1.

⁵ 47 U.S.C. § 254(d).

⁶ 47 U.S.C. § 254(b)(1)(2).

⁷ *Notice*. Para. 23.

Commission's Secretary

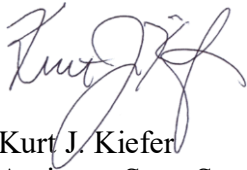
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The WDPI appreciates the opportunity to comment on this proposal. We respectfully request the commission reconsider the proposal. As we have stated, it is not needed and that it violates the basic intent of Congress that each of these programs be sufficiently funded.

Thank you very much for reviewing our Comments and we look forward to the Commission's decision on this issue.

Sincerely,

A handwritten signature in dark ink, appearing to read "Kurt J. Kiefer", with a stylized flourish at the end.

Kurt J. Kiefer
Assistant State Superintendent
Division for Libraries and Technology
Wisconsin Department of Public Instruction
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